

Cedar Glen Project Area

DESCRIPTION OF MAJOR SERVICES

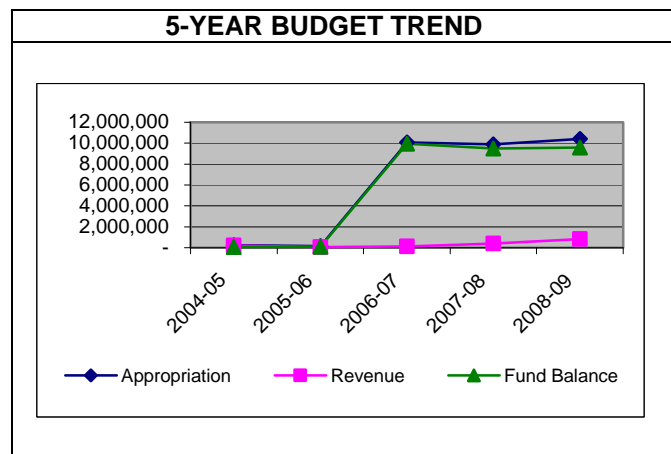
In 2004, the *Cedar Glen Disaster Recovery Project Area* (Cedar Glen), consisting of 837 acres, was adopted to assist with the rebuilding of the community that was destroyed by the 2003 Old Fire.

Included in this project area are housing funds, which are used to conserve and/or expand the supply of affordable housing to low and moderate-income households. Based on regulations, 20% of the gross tax increment revenues are set aside and used for affordable housing.

Initial plan preparation and operating expenses were funded through a \$75,000 loan from the Speedway Project Area and subsequent loans from the county general fund of \$365,000. In addition, in December of 2005, the Board of Supervisors approved a loan of \$10.0 million from the county general fund to Cedar Glen to begin the water and road improvements. The loans will be repaid when the project area generates sufficient tax increment revenues or other financing is available.

There are no budgeted positions assigned to this project area, however administrative and staffing costs are allocated to this project area based upon time studies.

BUDGET HISTORY

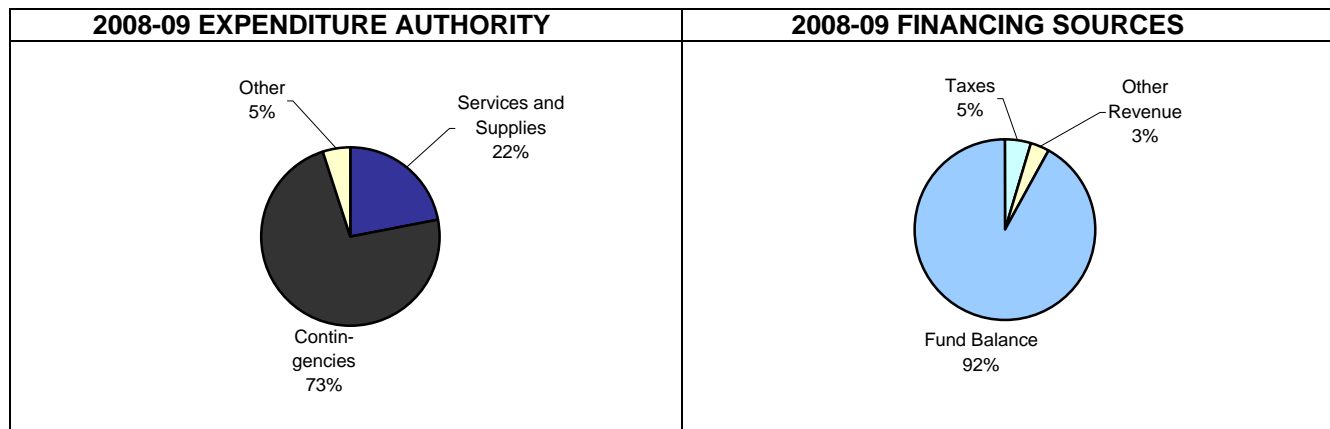


PERFORMANCE HISTORY

| | 2004-05 Actual | 2005-06 Actual | 2006-07 Actual | 2007-08 Modified Budget | 2007-08 Estimate |
|----------------------|-------------------|-------------------|-------------------|-------------------------------|---------------------|
| Appropriation | 156,767 | 418,300 | 1,267,592 | 9,878,195 | 752,123 |
| Departmental Revenue | 293,426 | 10,297,254 | 788,348 | 403,250 | 845,280 |
| Fund Balance | | | | 9,474,945 | |

In accordance with Section 29009 of the State Government Code, the entire unreserved fund balance must be appropriated each year. Accordingly, expenditures in these funds are typically less than budget. The amount not expended is carried over to the subsequent year's budget. In addition, \$7.6 million of the loan proceeds are in contingencies for future approved projects, as required by the loan terms.

Departmental revenue is estimated to be greater than budget in 2007-08. Both tax increment revenue and interest revenue are estimated to be significantly greater than budget for 2007-08 by approximately \$181,830 and \$260,200 respectively.

ANALYSIS OF PROPOSED BUDGET

GROUP: Economic Development
 DEPARTMENT: Redevelopment Agency
 FUND: Cedar Glen Disaster Project Area

BUDGET UNIT: SPK, SPL, DBT
 FUNCTION: General
 ACTIVITY: Other General

| | 2004-05 Actual | 2005-06 Actual | 2006-07 Actual | 2007-08 Estimate | 2007-08 Final Budget | 2008-09 Proposed Budget | Change From 2007-08 Final Budget |
|-----------------------------|-------------------|-------------------|-------------------|---------------------|----------------------------|-------------------------------|--|
| Appropriation | | | | | | | |
| Services and Supplies | 111,473 | 107,747 | 60,101 | 10,120 | 1,425,851 | 2,294,655 | 868,804 |
| Land and Improvements | - | - | 311,076 | - | 59,454 | 59,454 | - |
| Transfers | 45,294 | 310,553 | 896,415 | 342,003 | 392,595 | 450,453 | 57,858 |
| Contingencies | - | - | - | - | 7,600,000 | 7,600,000 | - |
| Total Appropriation | 156,767 | 418,300 | 1,267,592 | 352,123 | 9,477,900 | 10,404,562 | 926,662 |
| Operating Transfers Out | - | - | - | 400,000 | 400,295 | - | (400,295) |
| Total Requirements | 156,767 | 418,300 | 1,267,592 | 752,123 | 9,878,195 | 10,404,562 | 526,367 |
| Departmental Revenue | | | | | | | |
| Taxes | - | 240,367 | 672,985 | 478,080 | 296,250 | 482,860 | 186,610 |
| Use Of Money and Prop | 3,426 | 80,965 | 454,480 | 367,200 | 107,000 | 353,600 | 246,600 |
| State, Fed or Gov't Aid | - | 634 | 1,705 | - | - | - | - |
| Current Services | - | (2,057) | (3,305) | - | - | - | - |
| Other Revenue | - | (109,655) | (337,517) | - | - | - | - |
| Other Financing Sources | - | 10,075,000 | - | - | - | - | - |
| Total Revenue | 3,426 | 10,285,254 | 788,348 | 845,280 | 403,250 | 836,460 | 433,210 |
| Operating Transfers In | 290,000 | 12,000 | - | - | - | - | - |
| Total Financing Sources | 293,426 | 10,297,254 | 788,348 | 845,280 | 403,250 | 836,460 | 433,210 |
| Fund Balance | | | | | 9,474,945 | 9,568,102 | 93,157 |

Services and supplies of \$2,294,655 primarily represent undesignated fund balance carried over from previous years for future projects and/or improvements. Services and supplies increased by \$868,804 primarily due to the increase in project expenditures of \$554,929, professional services of \$306,380, and miscellaneous expenses of \$7,495.

Land and improvements of \$59,454 is to acquire land for the development of a well to serve the project area.

Transfers of \$450,453 represent administrative fees to the Speedway administrative fund. Increases of \$57,858 are associated with increased administrative costs.

Contingencies of \$7,600,000 are necessary because, per the Cedar Glen loan agreement, the Board of Supervisors must approve all additional projects utilizing the loan funds. Upon approval of additional projects, the funds will be transferred to the appropriate expenditure category for use.

No operating transfers out are budgeted in 2008-09 as the road and water projects funded with the initial portion of the county loan are anticipated to be completed in 2007-08.

Departmental revenue of \$836,460 includes funding from projected tax increment as well as revenue from interest. The increase in revenue of \$433,210 is related to increases in both tax increment revenue and interest revenue to reflect current trend.

